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PROGRAMME PLANNING

PREPARATIONS FOR THE FIFTH PROGRAMMING CYCLE, INCLUDING FUNDING STRATEGY

Preparations for the fifth programming cycle

Report of the Administrator

SUMMARY

The present document contains three sections. Section I responds to paragraph 39 of Governing Council decision 90/34 of 23 June 1990, which requests a report on the outcome of the Administrator's consultations with the United Nations agencies and his analysis of cost implications of introducing Special Drawing Rights as the unit of account. The Administrator recommends, on the basis of an analysis made by the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) that this question should not be pursued for the time being.

Section II has been prepared to assist the Governing Council in its deliberation of the net contributor issue. The Administrator recommends that net contributor provisions should be introduced more gradually in the fifth programming cycle than was the case in the fourth cycle. The possibility of establishing a threshold beyond which countries would no longer be entitled to an indicative planning figure is also discussed.

Section III responds to paragraph 35 of decision 90/34, dealing with weight coefficients of per capita gross national product and population used in the calculation of country indicative planning figures. Issues regarding possible modifications in the respective weight of these components are

presented, and it is argued that in achieving changes in the distribution of indicative planning figures, gross national product and population should be viewed broadly in the context of the underlying principles and objectives for distributing resources. Also pointed out is the fact that the system of allocating indicative planning figures resources, which has evolved over the 5 programming cycles, is highly constrained, complex and not readily responsive to changing priorities. A comprehensive review of the entire allocation system is proposed in the context of the sixth programming cycle.

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I. SPECIAL DRAWING RIGHTS

1. In paragraph 39 (d) of its decision 90/34 of 23 June 1990, the Governing Council called upon the Administrator to report to the Council at its thirty-eighth session (1991) on the outcome of his consultations with the United Nations agencies and his analysis of cost implications of introducing Special Drawing Rights (SDR) as the unit of account. In accordance with the request, the Administrator subsequently placed the question of Special Drawing Rights as the unit of account before the financial managers of the United Nations system in the framework of the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) (CCAQ)(FB). The Office of the Director-General for Development and International Economic Cooperation was represented at these sessions, which took place in September 1990 and March 1991. CCAQ (FB) concluded, inter alia, that the introduction of SDR would create several administrative complications and would not have major benefits.

2. With respect to the costs of introducing SDR, the United Nations Development Programme (UNDP) estimates, which were based on a very broad and general analysis, are included in the report of the seventy-fourth session of the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) (ACC/1991/6). In that the agencies and organizations of the United Nations system felt that the use of SDR as the unit of account was neither feasible nor practical, cost estimates were not prepared. As indicated in the conclusions of the report, it was felt that a changeover to SDR as the unit of account would lead to very substantial costs. Since executing agencies were not in a position to absorb such costs, they would have to be met by UNDP in the event that it is decided to change the unit of account. Based on all the above, and the analysis contained in the CCAQ (FB) report, the Administrator concurs with the recommendation of CCAQ (FB) that the question of SDR as a unit of account should not be pursued at this time.

II. NET CONTRIBUTOR ISSUE

A. Introduction and background

3. Following considerable debate on the net contributor issue for the fifth programming cycle, the Governing Council decided in paragraph 34 of its decision 90/34 of 23 June 1990 to review this issue at its thirty-eighth session (1991).

4. In accordance with paragraph 11 of Governing Council decision 85/16 of 29 June 1985, net contributor status in the fourth programming cycle applies to those countries with per capita gross national product (GNP) above $3,000 and island developing countries with a population in 1983 of less than 1 million and with per capita GNP above $4,200. The obligations of these countries for the fourth programming cycle are contained in decision 85/16, paragraphs 11-13, and decision 88/31 C, paragraphs 1-3. The issues associated

with the implementation of net contributor obligations as well as possible measures to deal with them have been documented extensively during the last few years. The relevant Governing Council documents include the note by the Administrator on the implementation of the fourth programming cycle 1987-1991 (DP/1987/22); the report of the Administrator on indicative planning figures for the fourth programming cycle 1987-1991 (DP/1988/9); the report of the Administrator on the fourth programming cycle: net contributor status (DP/1988/70); the report of the Administrator on net contributor status (DP/1989/5); the note by the Administrator on preparations for the fifth programming cycle (1992-1996) (DP/1990/8); and the report of the Administrator on preparations for the fifth programming cycle and net contributor status (DP/1990/43).

5. Pending a decision by the Governing Council on the subject and for the purposes of the present document, the term "net contributor status", used in relation to the fifth programming cycle, applies to countries with 1989 per capita GNP above $3,000 and island developing countries with a population of less than 2 million and with a per capita GNP above $4,200. In order to ensure that funds would be available for indicative planning figures (IPFs) for these countries, once a decision on the subject is adopted by the Council, a provisional IPF has been calculated for each of the 21 net contributor countries. These calculations have been made in accordance with the criteria established by decision 90/34, but without floor protection and on the assumption that the IPFs of these countries would be provided from the funds set aside for the IPFs of countries with per capita GNP of more than $750 (i.e., 13 per cent of all country IPF funds). However, these IPFs have not been issued formally and, therefore, countries have not been authorized to incur commitments against them. The total amount of funds set aside for net contributor countries in the fifth programming cycle on this basis is $11.6 million, or 0.3 per cent of total country IPFs. By comparison, total IPFs of $21.82 million, or 0.75 per cent of total country IPFs, were issued in the fourth programming cycle to 13 net contributor countries. They enjoyed an 80 per cent floor protection of their third programming cycle IPFs in the calculation of their fourth cycle IPFs, in accordance with decision 85/16.

6. Proposals on net contributor obligations for the fifth programming cycle are contained in paragraphs 41 to 45 and in annex III of document DP/1990/8 and paragraphs 22 and 23 of document DP/1990/43. The experience gained from the fourth programming cycle, as analysed in these documents, has demonstrated that relying on the single criterion of per capita GNP to implement the graduation of countries from recipient to donor status may result in anomalies. It needs to be recognized, however, that the current system of IPF distribution contains some elements of graduation. For instance, the weight coefficient of countries with per capita GNP of $375 is 20 times higher than that of countries with per capita GNP of $1,464. In other words, if the IPF distribution system were based solely on per capita GNP, the IPF of a country with per capita GNP of $375 would be twenty times higher than the IPF of a country with per capita GNP of $1,464. From $1,464 onwards, the per capita GNP weight coefficient remains unchanged. Above $3,000, however, graduation is abrupt. Whereas countries with a GNP per capita of $3,000 or below are under no formal obligation to make voluntary contributions, countries with

per capita GNP of $3,001 or above are required to make voluntary contributions equivalent at least to the IPF expenditure in each year. A small increase in per capita GNP can therefore completely stop the net flow of UNDP resources to a country, as demonstrated by the case of Suriname, whose per capita GNP increased by only 9 per cent, from $2,770 in 1983 to $3,020 in 1989, much less than the rate of inflation. There is, however, no comprehensive policy of graduation in UNDP, and the Council may wish to devote its attention in future sessions as to how such a policy would relate in particular to the sixth programming cycle. The recent emphasis by the Council on human development and the interest in the criteria used to measure human development provide the Council with an opportunity to consider this factor also as a component of a policy of graduation.

B. Options for consideration

1. Net contributor status

7. The Governing Council is well aware of the complexity of the net contributor obligations for the fourth programming cycle and of the difficulties in applying them. Moreover, the Council has not yet reached a decision on net contributor obligations for the fifth programming cycle. In his reports on this issue submitted to the Council at its special session in February 1990 (DP/1990/80) and at its thirty-seventh session (DP/1990/430), the Administrator proposed that consideration be given to the gradual enforcement of net contributor obligations and the use of multiple criteria for determining the net contributor status of a country. The Council may wish to consider those criteria during its current review of the net contributor issue. The Administrator is also submitting the new proposals below for the consideration of the Council. He believes that they will be simple to administer and should enjoy wide support from members of the Programme. They are:

(a) Barbardos, British Virgin Islands, Cyprus, Malta, Republic of Korea and Suriname, will graduate to the net contributor category in the fifth programming cycle. They would be issued IPFs calculated in accordance with decision 90/34 and would receive not less than 60 per cent of their country IPFs for the fourth programming cycle. They would be expected to make voluntary contributions equivalent to the IPF expenditure in each year and the cost of the field office, as applicable. The extent to which they fulfilled their net contributor country obligations in the fifth programming cycle would affect the level of their IPFs in the sixth cycle, as shortfalls in fifth cycle contributions would be deducted from sixth cycle IPFs, if any. This would ensure a smooth planning and use of resources during the fifth programming cycle.

(b) Aruba, Bahrain, Czechoslovakia, Libyan Arab Jamahiriya, Netherlands Antilles and Oman are net contributors in the fifth programming cycle and already had this status in the fourth cycle. They would be issued IPFs calculated in accordance with decision 90/34 and not receive less than 60 per cent of their country IPFs for the fourth programming cycle, but only

to the extent to which they fulfilled their net contributor obligations in the fourth cycle. In the event that they met these obligations only partially, they would be issued their fifth programming cycle IPFs, less any fourth cycle obligations that they did not meet. These countries would also be expected to make contributions equivalent to the IPF expenditure in each year of the fifth programming cycle and the cost of the field office, as applicable. The extent to which they fulfilled their net contributor country obligations in the fifth programming cycle would affect the level of their IPFs in the sixth cycle.

(c) Bahamas, Bermuda, Brunei Darussalam, Nauru, Qatar, Saudi Arabia, Singapore, Territory of Hong Kong and United Arab Emirates have a per capita GNP above $6,000 or are small island developing countries with a population of less than 2 million and a per capita GNP above $7,500. They would not be issued an IPF. The Governing Council may wish to consider a gradual introduction of this provision by according these countries 40 per cent of their IPF for the first two years of the fifth programming cycle, to allow for a transition.

8. Under the provisions of (a) and (b) above, the amount of IPFs issued to net contributor countries would be not more than $16.81 million, or about 0.5 per cent of total country IPFs, depending on the extent to which some fourth programming cycle net contributor countries fulfil their obligations. This amount exceeds the $11.55 million set aside for the IPFs of net contributor countries by some $5.26 million. The difference should be provided from the unallocated $100 million within the total amount of resources allocated to country IPFs. Table 1 shows the illustrative IPFs, the IPFs calculated by applying the proposed criteria, and the estimated voluntary contributions of the net contributor countries for the fifth programming cycle.

Table 1. Illustrative IPFs, proposed IPFs and estimated voluntary contributions
(by ascending order of 1989 per capita GNP)

	Population		Per capita GNP (dollars)		Fourth cycle IPF	Fifth cycle IPF options				1991 pledges	Estimated 1992-1996 pledges a/
	1983	1989	1983	1989		Illustrative	Change	Proposed IPF	Change		
Suriname	0.37	0.44	2 770	3 020	2.07	0.221	(1.847)	1.241	(0.827)		
Republic of Korea	39.96	42.38	2 020	4 400	10.64	1.792	(8.846)	6.382	(4.255)	1.000	6.336
Czechoslovakia		15.64		5 000	1.66	1.602	(0.054)	1.602	(0.054)	0.545	3.456
Malta	0.36	0.35	3 480	5 050	1.48	0.26	(1.218)	0.886	(0.591)		
Oman	1.13	1.49	6 240	5 220	1.89	0.676	(1.215)	1.135	(0.756)	0.100	0.634
Libyan Arab Jamahiriya	3.4	4.4	8 570	5 410	2.36	0.954	(1.409)	1.418	(0.946)		
Netherlands Antilles	0.19	0.2	6 320	6 360	0.64	0.186	(0.455)	0.384	(0.256)		
Barbados	0.25	0.25	4 020	6 370	1.48	0.216	(1.261)	0.886	(0.591)	0.045	0.282
Bahrain	0.4	0.49	10 620	6 500	1.18	0.362	(0.82)	0.709	(0.473)		
Saudi Arabia	10.44	14.43	12 410	6 500	4.73	1.578	(3.15)	0	(4.728)	3.500	22.176
Aruba	0.07	0.07	8 460	6 750	0.39	0.107	(0.285)	0.235	(0.156)		
Cyprus	0.66	0.69	3 830	7 050	2.95	0.406	(2.459)	1.773	(1.182)	0.262	1.657
British Virgin Islands	0.01	0.02	2 600	7 400	0.26	0.073	(0.185)	0.155	(0.103)	0.008	0.053
Singapore	2.5	2.68	6 790	9 100	3.55	0.691	(2.855)	0	(3.546)	0.220	1.394
Territory of Hong Kong	5.31	5.77	6 130	9 230	0.3	0.855	0.56	0	(0.295)	0.037	0.234
Nauru	0.01	0.01	5 880	10 230	0.05	0.068	0.017	0	(0.052)		
Bahamas	0.22	0.25	6 330	11 370	1.42	0.217	(1.201)	0	(1.418)		
Qatar	0.28	0.42	18 340	11 610	0.71	0.29	(0.419)	0	(0.709)		
United Arab Emirates	1.21	1.55	23 570	15 720	0.59	0.682	0.091	0	(0.591)		
Brunei Darussalam	0.21	0.25	20 880	16 000	0.5	0.216	(0.286)	0	(0.502)		
Bermuda	0.06	0.06	10 280	22 260	0.38	0.1	(0.278)	0	(0.378)		
Total					39.23	11.552		16.806		5.717	36.221

a/ Based on assumption of 8 per cent growth in contributions (see para. 2 of decision 90/34).

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2. Field offices in net contributor countries

9. In the fourth programming cycle, net contributor countries with a UNDP field office were required to pay the full cost of the field office, with the exception of the cost of the resident representative and the deputy resident representative. The Administrator proposes that in the fifth programming cycle, UNDP should meet the costs of the resident representative, the deputy resident representative and two general service staff in net contributor countries, including countries without an IPF, with programme activities exceeding $10 million in the course of the cycle. It is further proposed that these programme activities should include all activities financed from IPF, cost-sharing, government cash counterpart contributions and UNDP trust funds. With regard to net contributor countries not fully meeting the local cost of the office, the Administrator reiterates the statement he made in paragraph 23 of his report on preparations for the fifth programming cycle (DP/1990/43), namely, that "the Administrator negotiate agreements with the respective countries which would ensure that all local costs are covered by the host country. In the event that negotiations [on local office cost contributions] do not lead to an agreement by a date to be defined by the Council, the Administrator should close these offices and provide services to the countries on a reimbursable basis from a convenient location". It is also proposed that these provisions should apply pari passu to net contributor countries with programme activities of less than $10 million.

10. If these proposals are accepted, the Administrator would inform the Governing Council at its thirty-ninth session (1992) of the manner in which he intends to provide services to net contributor countries that have indicated either that they are not willing to meet their local office costs or that their programme activities in the fifth programming cycle would be below the minimum of $10 million. Two alternatives to the immediate closing of a field office would be considered. The first alternative would be that the Resident Representative would continue to reside in the country, but that the main programme and administrative services would be provided from another location. Another alternative is that a local staff presence be kept in the country, but that the UNDP Representative reside elsewhere, normally with responsibilities for more than one country. Reports on the situation of countries which do not, de facto, meet the criteria for the maintenance of field offices in net contributor countries would be provided periodically to the Council.

III. SUGGESTED PRINCIPLES FOR THE ALLOCATION OF RESOURCES AND THE DISTRIBUTION OF INDICATIVE PLANNING FIGURES FOR THE SIXTH PROGRAMMING CYCLE

A. Introduction and background

11. The Governing Council held lengthy debates at its thirty-seventh session (1990) on the principles for allocating resources in the fifth programming cycle. A consensus was reached on most issues; however, in

anticipation of the sixth programming cycle, in paragraph 35 of its decision 90/34, the Council invited the Administrator to provide proposals for revising the weight coefficients for per capita GNP and population, taking into account:

(a) Increased weight for least developed countries (LDCs) and lower-income countries, in per capita GNP weighting;

(b) Reduced weight for higher populations.

12. IPF resources are distributed among recipient countries on the basis of per capita GNP and the size of the respective population, with lower-income countries receiving a higher share of resources than upper-income countries, and countries with larger populations receiving a higher share than those with smaller populations. Seventy-five per cent of IPF resources are allocated according to these principles (i.e., the basic IPF) with the remaining 25 per cent allocated on the basis of 10 unique supplementary criteria (i.e., the supplementary IPF). The purpose of population and per capita GNP weights is to prioritize the allocation of resources in favour of lower-income countries according to the size of the population. The Governing Council first implemented the use of such weights and the methodology for applying them in the third programming cycle, by its decision 80/30 of 29 June 1980, in which it established, inter alia, per capita GNP, population groupings and the weight coefficients as criteria for the allocation of resources. These weight coefficients and the underlying methodology, were maintained in the fourth and fifth programming cycles, with adjustment to the per capita GNP groupings to account for inflation during the fourth cycle. Therefore, at the end of the fifth programming cycle, the methodology and weights will have been in effect for 15 years. Table 2 illustrates the present relationships between per capita GNP weights and population weights.

Table 2. Relationship between per capita GNP weights and population weights

A. Per capita GNP groupings and coefficients used in the calculation of fourth and fifth programming cycle country IPFs

Per capita GNP	Weight Coefficients
0 - 375	9.31 - 5.070
376 - 750	5.069 - 2.595
751 - 1464	2.594 - .26
Above 1464	.25

B. Population groupings and coefficients used in the calculation of country IPFs

Population (millions)	Weight coefficient	Increment per million
0 - .99	.05	.475
1 - 9.99	.525	.100
10 - 99.99	1.425	.02083
100 - 499.9	3.3	.0035
500 - 999.9	4.7	.0035
Over 1,000	6.45	.0035

B. The IPF metholology

Gross national product

13. Using the present methodology, IPF resources can be shifted in favour of one group of countries or to the detriment of others by adjusting the weight coefficients. For example, the resources distributed to the group of countries with per capita GNP below $375 would increase if the maximum GNP weight coefficient were increased, say 30 per cent, from 9.31 to 12.1. This 30 per cent relative increase in weight would increase the share of the $0-375 group from 63 per cent of resources to 66 per cent of resources using the methodology outlined in decision 90/34. GNP weight coefficients may also be adjusted selectively. For instance, if the maximum weight coefficient were increased 30 per cent for LDCs only, their share of resources would increase from 50.8 per cent to 53.7 per cent. Each adjustment yields a new distribution of IPFs, with the possible variations being almost limitless.

14. In the context of GNP weight, the presumption of increased weight for LDCs and low-income countries portends a shift in resources from middle- and upper-income countries to low-income countries and LDCs. The magnitude of the desired shift in resources would then determine the necessary adjustment to weight coefficients. On this subject, it may be helpful for the Governing Council to review the distribution of IPFs by GNP groups which appear at the end of the table in the annex. Included in the information is a column comparing per capita IPFs. The table also illustrates the portion of IPF derived from basic data, supplementary data, the floor supplement and the LDC supplement Information on IPF distribution for specific groups of recipients is provide at the end of the table.

Population

15. The population of a country features most prominently in the IPF calculation, which in effect factors it twice under the present methodology. It is used both in nominal terms and as a modification of GNP, where it discounts a country's economic output in order to ensure more comparability between countries. The issue of decreased weight for countries with higher

populations assumes that IPF resources will be shifted from countries with larger populations to those with smaller populations. It may be deduced from table 3 that the distribution of country IPFs to various population groups according to decision 90/34 could be altered to yield numerous new distribution patterns. This could be accomplished in a variety of ways. One approach would be to alter the population increment weight added for countries with higher populations (see table 2). That is, the extra increment added to the weight coefficient to reflect the differences between populations in any respective population grouping could be reduced or eliminated. However, if the incremental weight for countries with populations above 100 million were reduced from .0035 to zero, the total IPFs for the six affected countries would be reduced only by $9 million, if the floor principle were operational.

Table 3. Distribution of country IPFs by population group

Population groups 1989 (millions)	Number of countries	Total population (millions)	Percentage of total population	Fifth cycle IPFs ($ millions)	Percentage of total IPF
0 - 1	47	11.38	.28	158.68	4.58
1 - 10	53	246.83	6.09	1 107.35	31.95
10 - 100	43	1 198.68	29.56	1 400.62	40.41
100 - 500	5	660.71	16.29	466.37	13.46
500 - 1 000	1	832.54	20.53	156.12	4.50
+ 1 000	1	1 105.07	27.25	176.66	5.10
Totals	150	4 055.21	100	3 465.80	100

16. In conclusion, while it is possible to effect changes in the distribution of country IPFs by modifying the weight coefficients for per capita GNP and population, it can be demonstrated that achieving a specific IPF distribution under the present methodology is somewhat problematic, and has required coercive adjustments which place the basic methodology in question.

C. The IPF system

17. Per capita GNP and population weight coefficients are key elements of a resource distribution system which has become increasingly complex and constrained. These complexities, which are not exclusively related to these two elements, are demonstrated by questions which are often raised, such as: why do apparently similar countries, in terms of population and GNP, have different IPFs; or, why do not all countries with declining per capita GNPs receive IPF increases. Other questions relate to the general lack of transparency in the present system: the financial benefit of supplementary

criteria is not readily apparent and many countries seek to know what portion of their IPF is derived from the application of a particular criterion. These and other questions sometimes result from the interdependency or conflict of factors such as resource levels, floor amounts, supplementary criteria, and the supplementary cap. The interaction between all these factors makes it difficult to isolate population or per capita GNP weight and to draw meaningful conclusions. The "floor" principle illustrates this point.

Floor

18. The "floor" principle or methodology applies the concept that a country's IPF should not be less in the current cycle than a designated percentage of the previous cycle. This is given effect by calculating all country IPFs, determining the total amount necessary to supplement individual IPFs, deducting this amount from resources available for distribution and recalculating the IPFs, adding the supplement to arrive at the final IPF. Numerous iterations of this process are necessary before the floor requirements and available resources are in balance. For the fifth programming cycle, $209.4 million has been set aside and added as a floor supplement to the IPFs of 68 countries. In many instances, the floor is the overriding distribution principle. In fact, the fifth programming cycle IPFs for 31 countries are derived directly from the amounts established in the first cycle (1972-1976).

19. Under most scenarios that do not include a significant growth in resources, modification of population and per capita GNP coefficients have limited impact on the distribution of resources when the floor supplement is in effect. This occurs because IPFs, which might otherwise decline as a result of increases in per capita GNP, are restored by a floor supplement. However, if the resources available for IPF distribution increase over a certain base, the impact of the floor is reduced. For instance, while an assumed 8 per cent annual growth in voluntary contributions for the fifth cycle results in $209.4 million being set aside for floor supplements, a 10 per cent annual growth rate would result in only $140 million needed for floor supplements, and so on. Therefore, unless resources increase significantly, revision of the weight coefficients or other parameters, without modifying the floor values, will have limited impact on IPF calculations.

20. Another example of the constraints underlying the system of resource allocation is the operation of the supplementary cap. This cap limits the amount of supplementary IPF a recipient may receive by restricting this amount to no more that 50 per cent of the basic IPF, except for LDCs, which may receive up to 100 per cent of the basic IPF. A basic contradiction occurs: supplementary resources are applied and then taken away by the supplementary cap.

System limitations

21. The complexities multiply with each step in the IPF calculation. It can also be argued that the system is not readily responsive to changing and

sometimes differing priorities established by the Governing Council. In paragraph 18 of its decision 90/34, the Council decided that 55 per cent of IPF resources should be allocated to LDCs. In order to accomplish this objective, the distribution ratio was modified so that countries with per capita GNP below $750 would receive 87 per cent of resources, compared to 80 per cent in the fourth programming cycle. Further, the number of points provided for LDC status under the supplementary criteria were increased from three to seven. Despite these significant modifications in the IPF methodology, the inherent constraints in the system limited the distribution of IPFs to LDCs to only 51 per cent of the country IPFs. Consequently, and to achieve the target of allocating 55 per cent of country IPFs to LDCs, it was necessary to supplement the IPFs for the LDC group using $138 million from the regional IPF programmes, in accordance with the decision. In other words, the regional programme was reduced by 26 per cent because the current methodology for calculating IPFs would simply not yield the desired distribution for LDCs.

D. New dimensions in development

22. The Governing Council, in its decision 90/34, established several new directions for the Programme. In the area of resource allocation, it significantly altered the previous distribution patterns for country IPFs. It also established six areas of focus in the Programme which should receive priority in order to build and strengthen national capacities. Many of these priorities, including the increased focus on human development concerns - the people in development - which is a central theme of the decision, will result in the establishment of new approaches and systems for addressing these emerging challenges. Several other priorities designated by the Council such as national execution, capacity-building, sustainable development, and private sector development further underscore the changing emphasis and dynamic nature of technical cooperation in the 1990s.

23. While the dynamics of global development are transforming operational approaches throughout the United Nations system, the traditional associations and understanding are also undergoing review and reprioritization. For example, the United Nations Committee for Development Planning has been reviewing issues relating to the designation of "least developed" and the adequacy of the criteria used for such designation. While the outcome of this review is not yet known, its impact could be significant for UNDP. For instance, how would the allocation of UNDP resources be affected should there be a significant increase in the total number of LDCs?

24. Changes in the pattern of resource allocation that benefit one country or a group of countries tend to create corresponding disadvantages for others, particularly in a no-growth resource situation. Such is the case with respect to the distribution of resources in the fifth programming cycle. Given its emphasis on low-income countries, particularly LDCs, some countries received static or reduced IPFs. This, combined with the 26 per cent reduction in the regional IPF programme, places UNDP technical activities in Latin America, in the Middle East and in Europe at the margins of the Programme. This may have

a profound effect on the UNDP programme of activities in the 1990s. The extent to which this shift occurs as a result of a resource distribution decision versus a policy decision merits further consideration.

25. It is recognized that UNDP resource allocations are viewed independently from overall Official Development Assistance (ODA) flows, as well as other, sometimes dominant, global economic events such as changes in monetary policies, international finance and investment, debt, trade quotas, barriers and other constraints, which often have a profound impact on development priorities and obstacles. It is sometimes suggested that the implications of global economic policy are fundamental elements of a comprehensive approach to dealing with development challenges.

E. Options for IPF allocations

26. UNDP must ensure that its resources are used in the most appropriate manner in the rapidly changing development environment. In consequence, the Administrator proposes that a comprehensive review of these subjects be undertaken by the Governing Council, beginning at the high-level segment of the thirty-ninth session (1992). The Administrator would prepare for this session a concepts paper, to address the key issues associated with resource allocation and provide various options for their prioritization, particularly those covered by decision 90/34. To facilitate the dialogue on resource utilization in the sixth programming cycle, the paper would highlight several issues for the purpose of obtaining further guidance from the Council and moving the discussion forward.

27. Questions about basic data and the relevance of such indicators have been discussed since UNDP began using per capita GNP and population as the main basis for country IPF distribution. The increased recognition and acceptance of the importance of human development, recent improvements in data reporting and analysis, new information on human conditions and the increasing utilization of composite multiple indexes offer the possibility of revising the basis for determining how IPF resources will be established.

28. During the debate on the fifth programming cycle, the principle of using supplementary criteria in the calculation of country IPFs was challenged as being ineffectual, with some delegations proposing their elimination. One of the problems suggested by some delegations was the lack of linkage in the application of supplementary resources. There are, however, various options available for applying supplementary resources to country IPFs. Numerous possibilities also exist for establishing indicators for need, performance or priority which can be explored in the proposed review.

F. Graduation

29. In connection with a review of the principles for allocating resources in the sixth programming cycle, the Administrator proposes to develop a policy

framework on graduation. The following observations on the subject may also have relevance to the current discussions on the fifth programming cycle.

Universality

30. The principle of universality, by which all countries are eligible to participate in the Programme, does not prescribe equal participation for all countries. The application of this principle has consistently assumed differences between countries and effected resource allocations which favoured those with low incomes. This principle does not specifically require a net flow of resources to all countries, but has traditionally mandated that countries in a position to do so become net contributors to the Programme. It follows, therefore, that the principal of universality may encompass new arrangements and financial responsibilities for certain countries.

Criteria

31. The use of per capita GNP as the single criterion to determine graduation or net contributor status has proven to be operationally problematic and conceptually flawed. It is problematic because estimates of economic output such as per capita GNP are imprecise and subject to frequent and often significant revisions. Since the GNP estimate is a moving target, programme management by necessity must be equally uncertain in order to reflect changes in status. During the fourth programming cycle, for example, three countries moved out of the group of net contributor countries as a result of revisions to 1983 per capita GNP, while one country would have been subject to the net contributor obligations if its GNP estimate had not originally been understated. This is conceptually flawed because: (a) it assumes an exactitude that belies the nature of the estimate; (b) it distorts economic output with the consequences of monetary policy; and (c) it captures economic events at a single point in time without due reference to the nature of single commodity economies which dominate developing countries. In consequence, it becomes contentious and somewhat arbitrary that a country with per capita GNP of $3,010 must graduate while another with per capita GNP of $2,990 may remain a net recipient. Alternatively, the policy of graduation could encompass multiple criteria, including the human dimension.

Other questions relating to graduation

32. There are several other questions to be considered:

(a) Technical cooperation among developing countries (TCDC). What is the appropriate role for UNDP to play in promoting TCDC activities with higher-income countries, which, by virtue of their economic performance, possess valuable technical expertise that can make a significant contribution to the UNDP programme of technical cooperation?

(b) International Development Strategy (IDS). How could UNDP assist higher-income countries to achieve the IDS such as the advocacy for environmentally sustainable development and others which are of universal consequence and not necessarily unique to low-income countries?

(c) Core contributions. How can the policy of graduation avoid the discouragement of voluntary contribution to core resources? For example, some current net contributor countries at present make annual core contributions which significantly exceed their illustrative IPF for the fifth programming cycle. What steps can be taken to insure that such voluntary contributions continue?

(d) Human development. The human development index (HDI) has enhanced the need to recognize the usefulness of distinguishing between economic and human development, including the possibility that higher-income countries may sometimes have relatively low indicators of human development. It seems apparent that some higher-income countries require continued technical cooperation, particularly in terms of their human development.

G. Conclusions

33. The Governing Council, in paragraph 35 of its decision 90/34, has provided an opportunity to evaluate briefly the effectiveness and responsiveness of the present system of allocation. Several constraints in the methodology have been identified. The significance of these are highlighted in view of the changing environment of technical cooperation and world development. The Administrator believes that UNDP would benefit from a thorough review of the objectives and principles underlying the allocation of resources in order to establish a more responsive and focused programme of technical cooperation in the sixth programming cycle. He seeks the concurrence of the Council in preparing a comprehensive conceptual paper on sixth programming cycle resource utilization, to be submitted at the thirty-ninth session (1992).

Annex

FIFTH CYCLE IPFs CALCULATED IN ACCORDANCE WITH GOVERNING COUNCIL DECISION 90/34

COUNTRIES AND TERRITORIES		Population 1983	Population 1989	Per Capita GNP 1983	Per Capita GNP 1989	Data quality	Fourth cycle IPFs (dec.90/4)	Fifth cycle IPFs a/ (in millions of dollars) Basic amt.	Supplementary amt.	Floor amt.	LDC supplement	Final IPF 2+3+4+5	Status	Change 6-1	IPF per capita
							(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ANGOLA	LDC	8.21	9.69	810	620		24.52	21.242	7.305	0.000	2.333	30.880		6.355	$3.19
BENIN	LDC	3.81	4.59	280	380		29.19	19.637	10.411	0.000	2.456	32.504		3.315	$7.08
BOTSWANA	LDC	1.00	1.22	920	950	b/	6.48	3.619	3.085	0.000	0.548	7.251		0.768	$5.94
BURKINA FASO	LDC	6.50	8.78	170	310		46.90	33.369	13.826	0.000	3.857	51.053		4.153	$5.81
BURUNDI	LDC	4.47	5.30	240	210		33.62	29.234	15.955	0.000	3.693	48.882		15.260	$9.22
CAMEROON		9.56	11.55	850	1010		16.82	8.660	3.492	2.985	0.000	15.137		-1.682	$1.31
CAPE VERDE	LDC	0.31	0.37	430	760		6.67	1.974	1.821	2.878	0.545	7.219		0.545	$19.51
CENTRAL AFRICAN REPUBLIC	LDC	2.47	2.95	270	390		24.82	15.784	9.101	0.000	2.034	26.919		2.094	$9.13
CHAD	LDC	4.75	5.54	130	190		42.25	30.947	11.882	0.000	3.501	46.330		4.077	$8.36
COMOROS	LDC	0.38	0.46	320	460		7.86	5.340	5.340	0.000	0.873	11.553		3.691	$25.12
CONGO		1.77	2.21	1210	930		6.50	4.418	1.641	0.000	0.000	6.060		-0.441	$2.74
CÔTE D'IVOIRE		9.50	11.71	750	790		18.01	12.282	3.993	0.000	0.000	16.275		-1.733	$1.39
EQUATORIAL GUINEA	LDC	0.36	0.34	120	430		10.38	4.391	4.391	1.601	0.849	11.231		0.849	$33.03
ETHIOPIA	LDC	40.90	48.86	120	120		91.06	78.461	30.422	0.000	8.899	117.782		26.721	$2.41
GABON		0.70	1.11	3930	2770		2.84	0.457	0.229	1.583	0.000	2.269		-0.567	$2.04
GAMBIA	LDC	0.70	0.85	350	230		12.79	13.436	10.377	0.000	1.946	25.759		12.973	$30.31
GHANA		12.80	14.43	340	390		35.81	33.263	8.777	0.000	0.000	42.040		6.229	$2.91
GUINEA	LDC	5.83	5.55	290	430		33.10	20.345	10.652	2.098	2.705	35.801		2.705	$6.45
GUINEA-BISSAU	LDC	0.87	0.96	190	180		19.14	16.248	9.258	0.000	2.085	27.592		8.451	$28.74
KENYA		18.90	23.28	340	380		40.77	37.800	8.295	0.000	0.000	46.095		5.327	$1.98
LESOTHO	LDC	1.50	1.72	560	470		14.16	11.700	6.426	0.000	1.481	19.607		5.449	$11.40
LIBERIA	LDC	2.09	2.48	500	500	b/	13.42	12.602	7.350	0.000	1.545	21.497		8.073	$8.67
MADAGASCAR		9.50	11.17	300	230		40.66	42.917	12.220	0.000	0.000	55.137		14.479	$4.94
MALAWI	LDC	6.60	8.23	190	180		45.89	40.075	17.364	0.000	4.695	62.134		16.244	$7.55
MALI	LDC	7.28	8.21	180	260		50.28	35.025	18.254	0.000	4.355	57.634		7.355	$7.02
MAURITANIA	LDC	1.64	1.95	480	490		15.56	11.790	9.677	0.000	1.755	23.222		7.661	$11.91
MAURITIUS		0.99	1.06	1140	1950		4.34	0.453	0.227	3.231	0.000	3.910		-0.434	$3.69
MOZAMBIQUE	LDC	13.35	15.36	160	80		66.01	57.030	28.914	0.000	7.024	92.969		26.960	$6.05
NAMIBIA		1.09	1.82	1710	1200	b/	13.18	2.314	0.202	9.345	0.000	11.862		-1.318	$6.52
NIGER	LDC	6.06	7.48	320	290		37.33	31.213	17.937	0.000	4.017	53.167		15.841	$7.11
NIGERIA		93.64	113.67	830	250		38.74	95.783	24.210	0.000	0.000	119.993		81.252	$1.06
RWANDA	LDC	5.72	6.89	260	310		36.85	28.529	11.197	0.000	3.247	42.973		6.127	$6.24
SAO TOME AND PRINCIPE	LDC	0.10	0.12	340	520		3.29	1.941	1.941	0.000	0.317	4.200		0.912	$35.00
SENEGAL	LDC	6.20	7.21	430	650		29.01	16.464	10.109	2.437	2.371	31.381		2.371	$4.35
SEYCHELLES		0.07	0.07	2400	3800	c/	1.29	0.071	0.036	0.925	0.000	1.031		-0.258	$14.74
SIERRA LEONE	LDC	3.60	4.04	390	200		23.22	25.791	12.505	0.000	3.130	41.426		18.203	$10.25
SWAZILAND		0.71	0.76	890	790	c/	5.06	3.456	0.541	0.555	0.000	4.552		-0.506	$5.99
TOGO	LDC	2.85	3.51	270	390		24.78	17.012	9.518	0.000	2.168	28.699		3.922	$8.18
UNITED REPUBLIC OF TANZANIA	LDC	20.80	25.63	310	120		57.51	61.468	30.802	0.000	7.541	99.811		42.299	$3.89
UGANDA	LDC	13.88	16.77	310	250		50.43	44.805	23.716	0.000	5.600	74.122		23.689	$4.42
ZAIRE		29.70	34.44	290	260		56.93	54.370	12.966	0.000	0.000	67.335		10.403	$1.96
ZAMBIA		6.26	7.84	570	420		20.71	25.450	6.194	0.000	0.000	31.645		10.933	$4.04
ZIMBABWE		7.90	9.57	850	640		18.77	20.256	3.541	0.000	0.000	23.796		5.024	$2.49
Africa subtotals		375.26	449.75				1176.97	1031.43	436.10	27.64	85.57	1580.74		403.769	$3.51
AFGHANISTAN	LDC	17.22	19.90	220	200	b/	60.44	50.750	13.997	0.000	5.292	70.039		9.603	$3.52
BANGLADESH	LDC	95.50	111.59	150	180		135.67	107.270	43.574	0.000	12.329	163.173		27.506	$1.46
BHUTAN	LDC	1.19	1.40	150	150	b/	25.17	18.991	6.794	0.000	2.107	27.892		2.725	$19.92
BRUNEI DARUSSALAM		0.21	0.25	20880	16000	c/	0.50	0.144	0.072	0.000	0.000	0.216	ccc/	-0.286	$0.86

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Annex (continued)

COUNTRIES AND TERRITORIES		Population 1983	Population 1989	Per Capita GNP 1983	Per Capita GNP 1989	Data quality	Fourth cycle IPFs (dec.90/4)	Fifth cycle IPFs a/ (in millions of dollars) Basic amt.	Supplementary amt.	Floor amt.	LDC supplement	Final IPF 2+3+4+5	Status	Change 6-1	IPF per capita
							(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
CAMBODIA	LDC	6.78	8.05	80	150	b/	14.03	41.343	0.000	0.000	0.000	41.343		27.318	$5.14
CHINA		1019.10	1105.07	300	360		163.33	157.551	19.109	0.000	0.000	176.660		13.329	$0.16
COOK ISLANDS		0.02	0.02	1160	1550	b/	1.20	0.051	0.025	1.007	0.000	1.083		-0.120	$54.15
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA		19.19	22.42	760	700	b/	17.33	21.742	0.000	0.000	0.000	21.742		4.408	$0.97
FIJI		0.67	0.74	1720	1640		2.95	0.343	0.171	2.145	0.000	2.659		-0.295	$3.59
INDIA		733.25	832.54	260	350		156.12	138.441	8.471	9.208	0.000	156.120		0.000	$0.19
INDONESIA		155.70	178.21	590	490		65.69	67.960	13.425	0.000	0.000	81.384		15.698	$0.46
IRAN, ISLAMIC REPUBLIC OF		42.51	50.20	3610	3000	b/	11.82	1.931	0.359	7.166	0.000	9.455		-2.364	$0.19
KIRIBATI	LDC	0.06	0.07	460	700		2.10	1.075	1.075	0.000	0.176	2.326		0.224	$33.22
LAO PEOPLE'S DEMOCRATIC REPUBLIC	LDC	3.66	4.06	90	170		37.97	27.100	11.871	0.000	3.185	42.156		4.187	$10.38
MALAYSIA		14.86	17.34	1910	2130		8.86	1.346	0.145	5.600	0.000	7.091		-1.773	$0.41
MALDIVES	LDC	0.17	0.21	230	420		5.14	3.152	3.152	0.000	0.515	6.820		1.678	$32.48
MONGOLIA		1.81	2.16	790	650	b/	7.84	9.209	0.572	0.000	0.000	9.781		1.944	$4.53
MYANMAR	LDC	35.50	40.80	180	240	c/	83.40	60.162	26.213	0.000	7.060	93.435		10.034	$2.29
NAURU		0.01	0.01	5880	10230	b/	0.05	0.046	0.023	0.000	0.000	0.068	ncc/	0.017	$9.75
NEPAL	LDC	15.70	18.43	160	170		68.37	52.199	19.697	0.000	5.876	77.772		9.404	$4.22
NIUE		0.00	0.00	1030	1800		0.86	0.044	0.022	0.707	0.000	0.774		-0.086	$193.40
PAKISTAN		89.70	109.95	390	370		73.30	75.396	12.241	0.000	0.000	87.638		14.339	$0.80
PAPUA NEW GUINEA		3.20	3.81	720	900		11.65	5.784	0.820	3.878	0.000	10.481		-1.165	$2.75
PHILIPPINES		52.10	61.22	750	700		29.96	32.180	7.339	0.000	0.000	39.519		9.557	$0.65
REPUBLIC OF KOREA		39.96	42.38	2020	4400		10.64	1.792	0.000	0.000	0.000	1.792	ncc/	-8.846	$0.04
SAMOA	LDC	0.16	0.16	290	720		4.50	1.554	2.840	0.109	0.368	4.871		0.368	$30.44
SINGAPORE		2.50	2.68	6790	9100	c/	3.55	0.591	0.099	0.000	0.000	0.691	ncc/	-2.855	$0.26
SOLOMON ISLANDS		0.25	0.31	580	570		3.74	3.292	0.404	0.048	0.000	3.745		0.000	$12.08
SRI LANKA		15.42	16.78	330	430		45.08	32.516	8.629	3.933	0.000	45.077		0.000	$2.69
TERRITORY OF HONGKONG		5.31	5.77	6130	9230	c/	0.30	0.855	0.000	0.000	0.000	0.855	ncc/	0.560	$0.15
THAILAND		49.20	55.20	810	1170		29.02	9.819	1.303	14.997	0.000	26.118		-2.902	$0.47
TOKELAU		0.00	0.00	540	830	b/	1.20	0.409	0.089	0.699	0.000	1.197		0.000	$399.09
TONGA		0.10	0.10	770	910		1.66	0.689	0.316	0.652	0.000	1.656		0.000	$16.56
TRUST TERRITORY OF PACIFIC ISLANDS		0.15	0.17	1040	1070		3.03	0.689	0.105	2.240	0.000	3.034		0.000	$17.85
TUVALU	LDC	0.01	0.01	600	650	b/	1.13	0.766	0.766	0.000	0.125	1.657		0.529	$236.77
VANUATU	LDC	0.13	0.15	700	860		1.91	0.924	1.193	0.000	0.173	2.291		0.385	$15.27
VIET NAM		58.54	68.43	110	250	b/	83.55	75.597	17.178	0.000	0.000	92.774		9.221	$1.36
Asia/Pacific subtotals		2479.82	2780.59				1173.05	1003.70	222.09	52.39	37.21	1315.39		142.341	$0.47
ALBANIA		2.92	3.20	910	900	b/	6.65	5.346	0.000	0.637	0.000	5.983		-0.665	$1.87
ALGERIA		20.57	24.45	2410	2170		11.82	1.473	0.736	7.246	0.000	9.455		-2.364	$0.39
BAHRAIN		0.40	0.49	10620	6500	c/	1.18	0.241	0.121	0.000	0.000	0.362	ncc/	-0.820	$0.74
BULGARIA		8.95	9.00	2350	2500	b/	3.55	1.131	0.000	1.706	0.000	2.837		-0.709	$0.32
CYPRUS		0.66	0.69	3830	7050		2.95	0.322	0.083	0.000	0.000	0.406	ncc/	-2.549	$0.59
CZECHOSLOVAKIA		15.120	15.64		5000	b/	1.66	1.316	0.286	0.000	0.000	1.602	ncc/	-0.054	$0.10
DJIBOUTI	LDC	0.40	0.41	770	1300	b/	3.75	0.659	0.659	2.054	0.276	3.647		-0.099	$8.90
EGYPT		45.20	53.08	590	680		39.43	31.340	7.196	0.895	0.000	39.432		0.000	$0.74
HUNGARY		10.70	10.59	2160	2560		2.07	1.226	0.550	0.000	0.000	1.776		-0.292	$0.17
IRAQ		14.66	18.27	2850	2500	b/	8.86	1.363	0.000	5.729	0.000	7.091		-1.773	$0.39
JORDAN		3.24	4.04	1680	1730		8.86	0.707	0.213	6.171	0.000	7.091		-1.773	$1.76
LEBANON		2.62	2.89	810	1000	d/	8.56	4.323	0.000	3.383	0.000	7.706		-0.856	$2.67
LIBYAN ARAB JAMAHIRIYA		3.40	4.40	8570	5410	b/	2.36	0.738	0.216	0.000	0.000	0.954	ncc/	-1.409	$0.22
MALTA		0.36	0.35	3480	5050	c/	1.48	0.185	0.075	0.000	0.000	0.260	ncc/	-1.218	$0.74

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Annex (continued)

COUNTRIES AND TERRITORIES		Population 1983	Population 1989	Per Capita GNP 1983	Per Capita GNP 1989	Data quality	Fourth cycle IPFs (dec.90/4) (1)	Fifth cycle IPFs a/ (in millions of dollars) Basic amt. (2)	Supplementary amt. (3)	Floor amt. (4)	LDC supplement (5)	Final IPF 2+3+4+5 (6)	Status (7)	Change 6-1 (8)	IPF per capita (9)
MOROCCO		20.80	24.57	710	900		22.39	12.404	4.835	2.908	0.000	20.147		-2.239	$0.82
OMAN		1.13	1.49	6240	5220		1.89	0.490	0.187	0.000	0.000	0.676	ncc/	-1.215	$0.45
POLAND		36.56	38.06	1830	1760		4.43	1.715	0.666	1.165	0.000	3.546		-0.886	$0.09
QATAR		0.28	0.42	18340	11610	c/	0.71	0.213	0.077	0.000	0.000	0.290	ncc/	-0.419	$0.69
REPUBLIC OF YEMEN	LDC		11.17		640	e/	42.59	21.243	11.871	6.258	3.218	42.590		0.000	$3.81
ROMANIA		22.60	23.15	2350	2400	b/	4.43	1.450	0.301	1.795	0.000	3.546		-0.886	$0.15
SAUDI ARABIA		10.44	14.43	12410	6500	c/	4.73	1.295	0.283	0.000	0.000	1.578	ncc/	-3.150	$0.11
SOMALIA	LDC	5.10	6.09	250	170		35.30	33.720	19.003	0.000	4.309	57.032		21.735	$9.36
SUDAN	LDC	20.81	24.42	390	540		46.74	30.304	16.380	0.061	3.821	50.565		3.821	$2.07
SYRIAN ARAB REPUBLIC		9.60	12.08	1640	1030		8.86	8.397	3.397	0.000	0.000	11.794		2.929	$0.98
TUNISIA		6.90	7.99	1250	1260		8.86	3.844	0.882	3.253	0.000	7.978		-0.886	$1.00
TURKEY		47.30	54.90	1180	1360		14.69	4.766	1.396	7.059	0.000	13.222		-1.469	$0.24
UNITED ARAB EMIRATES		1.21	1.55	23570	15720	c/	0.59	0.495	0.187	0.000	0.000	0.682	ncc/	0.091	$0.44
YUGOSLAVIA		22.78	23.71	2640	2490	b/	4.43	1.460	0.454	1.632	0.000	3.546		-0.886	$0.15
Arab States/Europe subtotals			391.53				303.83	172.16	70.05	51.95	11.62	305.79		1.957	$0.78
ANGUILLA		0.01	0.01	630	850	c/	1.07	0.416	0.089	0.561	0.000	1.066		0.000	$133.31
ANTIGUA		0.08	0.08	1700	2860	b/	1.29	0.075	0.038	1.048	0.000	1.160		-0.129	$14.51
ARGENTINA		29.60	31.88	1960	2160		11.82	1.605	0.800	7.050	0.000	9.455		-2.364	$0.30
ARUBA		0.07	0.07	8460	6750	b/	0.39	0.071	0.036	0.000	0.000	0.107	ncc/	-0.285	$1.52
BAHAMAS		0.22	0.25	6330	11370		1.42	0.145	0.072	0.000	0.000	0.217	ncc/	-1.201	$0.86
BARBADOS		0.25	0.25	4020	6370		1.48	0.144	0.072	0.000	0.000	0.216	ncc/	-1.261	$0.86
BELIZE		0.15	0.18	1110	1600		1.29	0.116	0.000	0.916	0.000	1.031		-0.258	$5.73
BERMUDA		0.06	0.06	10280	22260	b/	0.38	0.067	0.033	0.000	0.000	0.100	ncc/	-0.278	$1.67
BOLIVIA		6.03	7.11	470	600		23.55	17.971	5.743	0.000	0.000	23.713		0.159	$3.34
BRAZIL		129.66	147.29	1810	2550		17.73	2.957	1.204	10.021	0.000	14.183		-3.546	$0.10
BRITISH VIRGIN ISLANDS		0.01	0.02	2600	7400	b/	0.26	0.049	0.024	0.000	0.000	0.073	ncc/	-0.185	$4.87
CAYMAN ISLANDS		0.02	0.02	2860	3480	b/	0.48	0.052	0.026	0.308	0.000	0.385		-0.096	$17.50
CHILE		11.68	12.98	1920	1770		11.82	1.269	0.634	7.552	0.000	9.455		-2.364	$0.73
COLOMBIA		27.52	32.34	1440	1190		13.00	7.420	2.539	1.743	0.000	11.701		-1.300	$0.36
COSTA RICA		2.38	2.74	1020	1790		6.03	0.596	0.298	3.926	0.000	4.821		-1.205	$1.76
CUBA		9.88	10.51	1910	1500	b/	12.11	1.225	0.137	9.541	0.000	10.903		-1.211	$1.04
DOMINICA		0.08	0.08	1010	1630	c/	1.36	0.075	0.038	1.111	0.000	1.223		-0.136	$15.29
DOMINICAN REPUBLIC		6.00	7.00	1130	750		8.36	12.892	2.706	0.000	0.000	15.598		7.236	$2.23
ECUADOR		8.19	10.33	1310	1040		8.86	8.028	3.265	0.000	0.000	11.292		2.428	$1.09
EL SALVADOR		5.23	5.21	760	1090		10.77	4.773	0.350	4.569	0.000	9.692		-1.077	$1.86
GRENADA		0.09	0.09	1050	1450	c/	1.29	0.094	0.047	1.149	0.000	1.289		0.000	$14.33
GUATEMALA		7.93	8.95	1170	920		7.68	9.176	1.226	0.000	0.000	10.402		2.719	$1.16
GUYANA		0.80	0.80	530	340		10.09	10.367	3.629	0.000	0.000	13.996		3.910	$17.49
HAITI	LDC	5.30	6.37	270	400		34.83	22.973	7.697	4.161	2.847	37.678		2.847	$5.91
HONDURAS		4.10	4.88	670	900		11.56	6.551	1.823	2.033	0.000	10.408		-1.156	$2.13
JAMAICA		2.26	2.43	1390	1260		4.43	2.098	0.947	0.944	0.000	3.989		-0.443	$1.64
MEXICO		75.00	85.44	2190	1990		11.82	2.557	1.279	5.620	0.000	9.455		-2.364	$0.11
MONTSERRAT		0.01	0.01	2360	3330	b/	0.60	0.048	0.024	0.409	0.000	0.481		-0.120	$34.38
NETHERLAND ANTILLES		0.19	0.20	6320	6360	b/	0.64	0.124	0.062	0.000	0.000	0.186	ncc/	-0.455	$0.93
NICARAGUA	LDC	3.00	3.74	820	800	b/	10.40	6.629	5.986	0.000	1.031	13.646		3.242	$3.65
PANAMA		1.96	2.37	1980	1780		4.43	0.565	0.196	2.785	0.000	3.546		-0.886	$1.50
PARAGUAY		3.21	4.16	1180	1280		5.76	2.452	0.632	2.101	0.000	5.185		-0.576	$1.25
PERU		17.88	21.14	1190	1090		14.77	8.361	3.384	1.551	0.000	13.297		-1.477	$0.63

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Annex (continued)

COUNTRIES AND TERRITORIES	Population 1983	Population 1989	Per Capita GNP 1983	Per Capita GNP 1989	Data quality	Fourth cycle IPFs (dec.90/4) (1)	Fifth cycle IPFs a/ (in millions of dollars) Basic amt. (2)	Supplementary amt. (3)	Floor amt. (4)	LDC supplement (5)	Final IPF 2+3+4+5 (6)	Status (7)	Change 6-1 (8)	IPF per capita (9)
SAINT KITTS AND NEVIS	0.05	0.05	1360	2530	c/	1.29	0.063	0.031	1.066	0.000	1.160		-0.129	$23.21
SAINT LUCIA	0.13	0.15	1080	1540	c/	1.29	0.103	0.052	1.005	0.000	1.160		-0.129	$7.74
SAINT VINCENT	0.10	0.11	780	1100	c/	1.92	0.504	0.094	1.322	0.000	1.921		0.000	$17.46
SAINT HELENA	0.01	0.01	1480	540	b/	0.47	0.937	0.468	0.000	0.000	1.405		0.932	$200.69
SURINAME	0.37	0.44	2770	3020		2.07	0.221	0.000	0.000	0.000	0.221	ncc/	-1.847	$0.50
TRINIDAD AND TOBAGO	1.14	1.26	6510	3160		2.36	0.470	0.235	1.186	0.000	1.891		-0.473	$1.50
TURKS AND CAICOS ISLANDS	0.01	0.01	680	780	b/	0.97	0.462	0.092	0.417	0.000	0.971		0.000	$107.93
URUGUAY	2.97	3.08	2450	2510	c/	5.91	0.625	0.313	3.789	0.000	4.728		-1.182	$1.53
VENEZUELA	17.26	19.24	3980	2420		4.73	1.380	0.690	1.712	0.000	3.782		-0.946	$0.20
Latin America/Caribbean subtotals		433.34				272.80	136.71	47.01	79.60	3.88	267.19		-5.607	$0.62
$ Per capita GNP groups														
0-375	2350.33	2649.29				1696.33	1567.59	503.58	9.21	103.75	2184.13		487.796	$0.82
0-750	2759.82	3135.68				2421.00	2153.71	711.82	30.81	135.71	3033.10		612.106	$0.97
750-1500	256.66	299.02				299.56	152.97	50.38	83.45	2.57	289.37		-10.186	$0.97
750-22260	795.73	919.52				503.50	190.29	62.38	178.63	2.57	436.01		-67.492	$0.47
above 3000 f/	82.159	91.834				39.22	9.54	2.01	0.00	0.00	11.55		-27.665	$0.13
Total Country IPFs	3555.54	4055.21				2924.49	262.30	83.12	209.44	138.28	3469.11		544.614	$0.86
Other Group totals														
LDC Total						1442.51	1128.95	542.31			1830.14	55.0%		
Islands/landlocked						1184.42	782.19	294.06			1185.02	34.2%		
Debt distressed						2306.94	1597.79	613.55			2406.50	69.4%		
Ecological,Geographic, Disasters						2395.00	1715.54	565.90			2503.07	72.2%		
NLMs						11.97					12.00			
MULTI-ISLAND IPF						5.87					7.00			
SUBTOTAL						2943.04					3484.80			
UNALLOCATED						18.36					100.00			
GRAND TOTALS						2961.40					3584.80			

a/ Does not include provision for IPF subline (decision 90/34, paragraph 13(a)) which is to be calculated

b/ Internal estimate for 1989 per capita GNP based upon World Bank, UNSO, OECD and/or other secondary sources.

c/ 1988 World Bank estimate, adjusted for 1989.

d/ Estimate based upon preliminary data from UNDP national accounts project.

e/ Merger of former Yemen and Democratic Yemen.

f/ Excluding small island developing countries with populations less than 2 million and per capita GNP below $4200.

ncc/ Decision 90/34 does not provide a framework for calculating fifth cycle country IPFs for countries with 1989 per capita GNP above $3000 (except small island countries with per capita GNP between $3000 to 4200 and population below 2 million). An illustrative IPF has been published for such countries based upon a zero value floor and assuming the methodology contained in the decision, pending the review of the net contributor arrangements by the Governing Council at its thirty-eighth session. No firm planning figures are therefore available for these countries.